

## **Minutes of the Finance Committee**

**Wednesday, November 5, 2008**

Chair Haukohl called the meeting to order at 8:31 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Bill Zaborowski, Pamela Meyer, Jim Heinrich, and Steve Wimmer. Rob Hutton arrived at 8:35 a.m. **Absent:** Jean Tortomasi.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Ann Olson, Business Manager Betsy Crosswaite, Central Fleet Manager Bob Rauchle, Budget Specialist Linda Witkowski, Information Systems Manager Mike Biagioli, Employee Benefits Administrator Pete Hans, Labor Relations Manager Jim Richter, Senior Financial Analysts Bill Duckwitz, Lyndsay Johnson, and Clara Daniels; Budget Manager Keith Swartz, County Board Supervisors Duane Paulson and Kathleen Cummings, Veterans' Services Director John Margowski, Administration Director Norm Cummings, and Health & Human Services Director Peter Schuler. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of Previous Meeting(s)**

MOTION: Heinrich moved, second by Zaborowski to approve the minutes of October 8. Motion carried 5-0.

MOTION: Heinrich moved, second by Wimmer to approve the minutes of October 9. Motion carried 5-0.

MOTION: Heinrich moved, second by Meyer to approve the minutes of October 15. Motion carried 5-0.

### **Schedule Next Meeting Dates**

November 19.

Hutton arrived at 8:35 a.m.

### **Ordinance 163-O-062: Appropriate Additional Funds To The Central Fleet 2008 Budget**

Crosswaite said they're asking to increase revenues by \$490,000 in order to fund parts (\$70,000) and fuel (\$420,000) due to cost and consumption being higher than anticipated. Use and price of parts is higher than anticipated as well. Crosswaite referred to an amendment made by Public Works Committee which was made for clarification purposes. Hutton asked if staff budgeted for higher costs in 2009. Rauchle said they use a three-year average when figuring estimates for the budget.

MOTION: Heinrich moved, second by Meyer to approve Ordinance 163-O-062. Motion carried 6-0.

### **Announcements**

Mader said included with the County Board agenda will be an array of amendments to the flood plain ordinance which reflects changes made by FEMA. There was nothing real controversial and all were approved by the Parks & Land Use Committee. He also noted that the Orchard Ridge

intent to negotiate resolution was not referred to the Finance Committee because there is no fiscal impact at this point.

**Contract Procurement Process for Applications Development Services**

Biagioli advised the contract was awarded to Stratagem, Inc., the highest rated proposer, for a total contract cost of \$56,000 for one year based on 700 hours estimated to complete the project. The budgeted amount was \$65,000. A total of 14 vendors submitted RFP's for consideration.

Haukohl was surprised that Compuware Corporation had a subtotal of 33% out of 70% and yet they were interviewed. Did they all come in low? Biagioli said yes.

MOTION: Wimmer moved, second by Heinrich to approve the contract procurement process for applications development services. Motion carried 6-0.

**Ordinance 163-O-063: Approve Changes For Non-Represented Employees' Benefits In 2009**

Richter and Hans reviewed this ordinance as outlined which authorizes a change in design of the self-funded dental plan for non-represented employees and elected officials by increasing the annual maximum benefit allowance from \$1,000 per person to \$1,250 per person. Hans said there has not been an increase since the inception of this program 23 years ago even though dental costs have increased double digits. The total cost for 2009 is estimated to be about \$13,200 for 390 participants.

MOTION: Wimmer moved, second by Heinrich to approve Ordinance 163-O-063. Motion carried 5-1. Hutton voted no.

**Ordinance 163-O-065: Modify Benefit Coverage Under The Retiree Health Insurance Plan**

Hans said this ordinance authorizes changes in the health plan design for County retirees. Eligible participants are rated in a separate risk pool from active employees and retirees pay the full premium costs for the plan as determined by the County's actuary. Hans noted that retirees are responsible for paying 100% of the premium cost and that can be a lot if you are a pre-Medicare retiree. Hans said once an employee is 65 and has Medicare benefits, we can provide really good, low cost health insurance alternatives. It is the plan for the pre-65 age group which is experiencing high premiums.

Hans said our actuary developed alternatives and we chose a couple options we thought would be beneficial for our health insurance plan for retirees under the age of 65. Currently, we are looking at premium increases in excess of 20%. Hans felt this would cause a significant financial burden for many of our retirees since the costs are already high. Without any plan changes, the premium for a single plan, non-Medicare, would be over \$900 a month for the United Health Care Dual Option Plan. To keep costs down, staff are proposing a premium increase plus a design change with higher deductibles and co-pays. Richter said instead of a 20% premium increase, it will be less than an 11% due to these changes.

Hans noted that the Medicare Advantage Plan is for retirees who are over age 65 and who have Medicare. We use the Humana Gold Advantage Program. The vast majority of our Medicare age retirees have moved into that Humana product and the cost is only about \$124 per month for a single plan. This plan is working well and is not affected by this ordinance.

Richter indicated of the approximately 300 County retirees, about 200 are in the Humana Gold Advantage Plan, and about 100 are in the United Health Care Dual Option Plan affected by this ordinance.

Hans advised our plan for under age 65 retirees is expensive because Medicare is not the primary insurance so the plan has to cover the full cost. There are two options under this plan. Option 1 features lower deductibles and co-pays and a higher monthly premium. Option 2 features higher deductibles and co-pays and a lower monthly premium. Because the premium would have been around \$900 per month for a single plan, a very high premium for health coverage (a 20% increase), the benefit design needed to be adjusted with this ordinance.

MOTION: Hutton moved, second by Heinrich to approve Ordinance 163-O-065. Motion carried 6-0.

**Ordinance 163-O-064: Ratification Of 2008 – 2009 – 2010 Association Of Professional Correctional Officers And Telecommunicators**

Richter said for the most part, this ordinance parallels all of the other labor agreements that the board has already approved. The agreement includes increased in-network health insurance deductibles and out-of-pocket maximums, increased prescription costs, and increased uniform allowances. Across the board salary increases are as follows: 2% in January of 2008, 1% in July of 2008, 2% in January of 2009, 1% in July of 2009, 2% in January of 2010, and 1% in July of 2010. The agreement also provides increased compensation when a Telecommunicator is assigned to training and when they are assigned as Officer in Charge in the absence of a supervisor. The total cost for 2008, including wages and benefits, will be \$9,279,188, an increase of 2.51%; 2009 costs total \$9,543,861, an increase of 2.85%; and 2010 costs total \$9,768,281, an increase of 2.35%.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 163-O-064. Motion carried 6-0.

**Fund Transfer 2008-1: Veteran's Services – Transfer Funds from the Contingency Fund to Operating Expenses**

Margowski discussed this fund transfer as outlined which involves transferring \$6,500 from the contingency fund to satisfy requests for emergency veterans services that could not be anticipated in the 2008 budget.

MOTION: Hutton moved, second by Wimmer to approve Fund Transfer 2008-1, Veterans' Services Department. Motion carried 6-0.

**Discuss Additional Individual Supervisor Amendments**

Departments: Health & Human Services, Various Other Departments

Fund: Various

Individual Supervisor: K. Cummings

I move to amend the 2009 proposed budget to reduce Personnel Costs (across tax levy funded budgets) and increase the 2009 Health & Human Services operating expenses and transfer tax levy funding: Increase Crisis Respite Child Day Care in Health & Human Services Intake & Shared

Services Program by \$40,000 and decrease funding for Non Base Performance Awards for non-represented staff included in Personnel Costs by \$40,000. For 2009 there is no additional direct tax levy impact associated with this amendment.

		<u>County</u> <u>Executive</u>	<u>Proposed</u> <u>Amendment Amt.</u> <u>Incr. (Decr.)</u>	<u>County Board</u>
Various Depts	Personnel Costs	N/A	\$(40,000)	N/A
HHS	Operating Expenses	\$ 142,557	\$ 40,000	\$ 182,557

K. Cummings explained her amendment whereby it was discussed and debated. N. Cummings and Schuler participated in the discussion and answered questions. N. Cummings advised that County Executive Vrakas is strongly opposed to this amendment which he explained further.

MOTION: Wimmer moved, second by Hutton to approve K. Cummings' amendment as listed above. Motion defeated 0-6.

**Ordinance 163-O-057: Adopt 2009 Waukesha County Budget**

MOTION: Heinrich moved, second by Wimmer to approve Ordinance 163-O-057. Motion carried 5-1. Hutton voted no.

MOTION: Wimmer moved, second by Zaborowski to adjourn at 11:06 a.m. Motion carried 6-0.

Respectfully submitted,

Approved on: \_\_\_\_\_

Pamela Meyer  
Secretary